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## Japan

### Market Development Reports

#### Food Business Line

*Periodic Press Translations from ATO Tokyo*

2004

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**Report Highlights:**

From America's largest overseas food and agricultural export market as translated from Japan's mass media and food industry news. This issue includes: The *Japan Department Store Association*, the *Japan Chain Store Association* and the *Japan Food Service Association* all show slight increases during February; *Nippon Meat Packers* and other Japanese meat processors and dealers are starting to introduce traceability systems for chicken and pork and; Despite more than six times the amount of domestic beef in the market compared to last year, Japanese wholesale beef prices are up 40%.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Tokyo ATO [JA2]  
[JA]



## **Food Business Line**

*Periodic Press Translations from ATO Tokyo*

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### **Retail/Wholesale**

- According to the *Japan Department Store Association*, total sales for department stores in the Tokyo area in February increased by 0.3% compared to the same month last year. It was the first increase since November 2001. (a 3/16)
- *Aeon* plans to discount 1,200 of its 2,000 “TopValu” private brand products by keeping its displayed prices the same even after the Government’s new 5% tax-inclusive pricing system is launched on April 1, 2004. The tax-inclusive pricing system is prompting concerns among retailers that consumers will misinterpret this as a price hike. (a 3/16)
- According to the *Japan Department Store Association* and *Japan Chain Store Association*, total sales of its member department stores and member supermarkets in February increased by 2.3% and 1.2%, respectively on same-store basis compared to the same month last year. It was the first time for both associations to show an increase in four months. (Note: This figure would represent a small decline when excluding an extra day due to the leap year.) (a 3/25)

### **Food Service**

- According to the *Japan Food Service Association*, total sales of its member food service outlets increased by 0.2% in February on a same-store basis compared to the same month last year. It was the first increase in more than six years. Overall sales for all stores also increased by 5.8%, improving on the year for the fifth consecutive month. Fast food chains and family restaurants improved their sales while other restaurants such as *yakiniku* grilled beef restaurant chains and *gyudon* beef bowl chains suffered a decline in sales due to ongoing developments associated with a recent series of food safety matters such as BSE and Avian Influenza. (a 3/25)

### **Food Processing/New Products/Market Trends**

- In response to heightened concerns regarding the safety of meat products in the wake of the occurrence of Avian Influenza, Japanese meat processors and dealers are starting to introduce traceability systems, not only beef but also for chicken and pork. For example, starting next month, *Nippon Meat Packers* will enable their business clients and consumers to trace back via the Internet information about the farms where its chickens and pigs were raised. Data will include information such as the feeds and vaccines used. Information will be available for 45 million birds of which account for about 70% of the domestically raised chicken for the *Nippon Meat Packers* group. In addition, information will be available for about 1.4 million pigs of which account for 70% of *Nippon Meat Packers*’ domestically produced pork. *Starzen* and *Itoham Foods* are also considering a similar system. (a 3/16)
- Wholesale prices of domestically produced beef are about 40% higher than last year even though the number of domestic cattle meat supplies entering the market has increased to

nearly six times the quantity during last spring. The steep price hike reflects the inability of high priced domestic beef to satisfy the deficit resulting from the ban on U.S. beef imports imposed and the occurrences of Avian Influenza in Japan and abroad. Retail prices are increasing as well, as supermarkets attempt to satisfy customers with more domestic beef as an alternative to the lack of U.S. beef in the market. Japanese consumers are also still wary about the safety of domestic chicken. (a 3/29)

### **Food Safety/Consumer Awareness**

- *Carrefour Japan* made their own report to authorities when an incident of two or three packages of ‘dated’ domestic pork that was disguised as U.S. pork in February. In response, Japan’s Agriculture Ministry ordered *Carrefour* to further investigate the issue and requested improvement of business practices. (b 3/16)

### **ATO/Cooperator/Competitor Activities/Trade Shows**

- No Significant Articles

#### **☞ Sources ☞**

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|----------------------------------|---|
| (a) The Japan Economic Newspaper | (b) The Nikkei Marketing Journal        |
| (c) The Japan Food Journal       | (d) The Beverage & Food News Commentary |
| (e) The Japan Food News          | (f) The Food Industry News              |

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